

Message Text

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TAGS: AORG, UN, IAEA

SUBJECT: IAEA BOARD OF GOVERNORS, AGENDA ITEM 6 - EMOLUMENTS
OF STAFF

REFS: (A) VIENNA 8015, (B) STATE 223890 (1976)

1. SALARY SURVEYS RECENTLY CONDUCTED BY THE INTERNATIONAL
CIVIL SERVICE COMMISSION (ICSC) REVEALED GENERAL SERVICE
(GS) SALARIES AT GENEVA AND PARIS TO BE EXCESSIVE IN COM-
PARISON WITH SALARIES PAID BY THE QUOTE BEST LOCAL EMPLOYERS
UNQUOTE. EVEN THOUGH PREVIOUS SALARY SURVEYS AT BOTH CITIES
FOLLOWED THE CCAQ QUOTE GUIDING PRINCIPLES UNQUOTE, THE
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ICSC FOUND THE METHODOLOGY USED FOR DEFINING QUOTE BEST PRE-
VAILING CONDITIONS UNQUOTE FAULTY. THESE ICSC FINDINGS
CAUSE US TO BE LESS THAN SANGUINE AS TO THE RELIABILITY
OF THE RECENT IAEA SURVEY WHICH THE MISSION POINTS OUT WAS
CONDUCTED BY AN IN-HOUSE GROUP COMPOSED LARGELY OF INDIVI-
DUALS HAVING A VESTED INTEREST IN ITS OUTCOME.

2. IF WE HAD BEEN ASKED ABOUT IAEA PLANS FOR SUCH A SALARY SURVEY, WE WOULD HAVE STRONGLY RECOMMENDED THAT THE ICSC BE ASKED TO CONDUCT IT; ICSC FINDINGS FORM THE BASIS FOR GS AND MAINTENANCE AND OPERATIONS (M AND O) SALARIES FOR THE STAFFS OF UNIDO AND OTHER UNITED NATIONS ACTIVITIES AT OR

SOON TO BE TRANSFERRED TO VIENNA. THIS NOT HAVING BEEN THE CASE, IT IS REGRETTABLE THAT THE SURVEY FINDINGS WERE NOT SUBMITTED TO THE ICSC OR A GROUP OF SALARY EXPERTS, SELECTED FROM MEMBER STATES, FOR REVIEW AND COMMENT PRIOR TO BEING FORWARDED TO THE BOARD OF GOVERNORS FOR ACTION. IN THE ABSENCE OF SUCH A REVIEW AND/OR THE OPPORTUNITY TO PROPERLY ANALYZE THE SURVEY, WE ARE IN NO POSITION TO EVALUATE ITS FINDINGS.

3. WE FULLY AGREE WITH THE MISSION (PARA 4, REFTTEL A) THAT THE TIME HAS COME TO SLOW DOWN THE CONTINUED ESCALATION OF GS AND M AND O SALARIES. PARA 4 OF REFTTEL B WARNED THAT INCREASING SALARY COSTS WEAKEN PUBLIC AND CONGRESSIONAL WILLINGNESS TO FINANCIALLY SUPPORT INTERNATIONAL ORGANIZATIONS. THIS OBSERVATION IS EVEN MORE TRUE TODAY.

4. MINDFUL OF THE MISSION'S VIEW (PARA 3, REFTTEL A) THAT IT WOULD BE COUNTERPRODUCTIVE TO ATTEMPT TO BLOCK THE PROPOSED INCREASE, ALTERNATIVES SHOULD BE SOUGHT WHICH COULD UNCLASSIFIED

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SATISFY THE NEED TO MAKE SOME ADJUSTMENT TO SALARIES, IN KEEPING WITH THE BOARD'S COMMITMENT IN THIS REGARD, BUT BE LESS COSTLY THAN ADOPTION OF THE SURVEY FINDINGS. IN THIS REGARD, IT SHOULD BE DETERMINED HOW MUCH IT WOULD COST TO ADJUST SALARIES BY APPLYING THE QUOTE INTERIM ADJUSTMENT PROCEDURE UNQUOTE WHICH HAS BEEN THE PRACTICE SINCE 1973. USING THAT PROCEDURE, WHICH IS BASED ON THE AUSTRIAN CONSUMER PRICE INDEX AND THE TARIF-LOHN INDEX, MIGHT BE MORE ECONOMICAL IN VIEW OF THE 5.3 PERCENT AUSTRIAN INFLATION RATE REPORTED IN PARA 3 OF REFTTEL A. IF SO, THIS WOULD BE THE PREFERRED SOLUTION ESPECIALLY SINCE RETAINING THE EXISTING BASE SCALE MIGHT FACILITATE ACCEPTANCE OF A FUTURE ICSC SALARY SURVEY DESIGNED TO SERVE ALL UN COMMON SYSTEM ORGANIZATIONS IN VIENNA.

5. WE NOTE THAT IAEA ESTIMATES THAT INTRODUCTION OF THE PROPOSED SALARY SCALES WOULD ENTAIL AN ADDITIONAL COST OF DOLLARS 250,000 IN SALARY COSTS IN 1978 IF THE EFFECTIVE DATE IS OCTOBER 1, 1978. IF SO, THE ANNUAL COST FOR THE PROPOSED NEW SALARY SCALES WOULD BE OVER ONE MILLION DOLLARS PER YEAR.

6. IN DISCUSSIONS USDEL SHOULD EMPHASIZE THAT IT IS NOT A GENERALLY ACCEPTED PRINCIPLE TO PROVIDE 100 PERCENT INDEXING AGAINST EXTERNAL EVENTS SUCH AS INCREASES IN THE COST OF LIVING. FOR EXAMPLE, THE 1978 CIVIL SERVICE COMMISSION'S STUDY OF COMPARABILITY OF U.S. GOVERNMENT SALARIES AND SALARIES OF THE U.S. PRIVATE SECTOR DISCLOSED

THAT THE FORMER WOULD HAVE TO BE INCREASED BY 8.4 PERCENT TO ATTAIN COMPARABILITY. DESPITE THIS FINDING, THE PRESIDENT DETERMINED THAT THE NATION WOULD BE BEST SERVED IF SALARY INCREASES FOR 1978 WERE LIMITED TO 5.5 PERCENT. STAFFS OF INTERNATIONAL ORGANIZATIONS CANNOT EXPECT MEMBER STATES TO COUNTENANCE SALARY INCREASES WHICH EXCEED THOSE THEY ARE PREPARED TO GRANT TO EMPLOYEES OF UNCLASSIFIED

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THEIR OWN GOVERNMENTS.

7. IN VIEW OF THE FOREGOING, WE HAVE THE FOLLOWING COMMENTS TO MAKE ON THE MISSION'S RECOMMENDATIONS LISTED IN PARA 5 OF REFTEL A.

A. USDEL SHOULD RECOMMEND THAT THE BOARD OF GOVERNORS ASK THAT THE COST BE DETERMINED FOR ADJUSTING SALARIES BY APPLYING THE INTERIM ADJUSTMENT PROCEDURE PRIOR TO TAKING ACTION ON THE REQUEST CONTAINED IN GOV/1917. IF THE INTERIM ADJUSTMENT PROCEDURE PROVIDES A MORE ECONOMICAL SOLUTION, USDEL SHOULD SEEK TO SUBSTITUTE THAT FORM OF ADJUSTMENT IN LIEU OF ADOPTING THE SALARY SURVEY FINDINGS. DURING DISCUSSION OF THIS SUBJECT BY THE BOARD, USDEL SHOULD STRESS THE PROBLEM EXCESSIVE ESCALATION OF SALARY COSTS HOLDS FOR CONTRIBUTING MEMBERS AND FOR ORGANIZATIONS DRAWING UPON POINTS GIVEN ABOVE.

B. USDEL SHOULD DO ALL NECESSARY TO INSURE THAT DIRECTOR GENERAL ACCEPTS THE ICSC STATUTE AS SOON AS POSSIBLE.

C. USDEL SHOULD URGE THAT BOARD RECOMMEND DIRECTOR GENERAL INVITE ICSC TO CONDUCT A SALARY SURVEY IN VIENNA SOONEST.

D. USDEL SHOULD ENLIST ALL POSSIBLE SUPPORT OF OTHER DELEGATIONS TO THE FOREGOING VIEWS CHRISTOPHER

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